

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

HELLO FARMS LICENSING MI, LLC,

Plaintiff,

v.

Case No. 21-cv-10499
Hon. Matthew F. Leitman

GR VENDING MI, LLC, *et al.*,

Defendants.

**ORDER (1) STAYING BRIEFING ON PLAINTIFF’S MOTION FOR
SUMMARY JUDGMENT (ECF No. 92) AND (2) SETTING BIFURCATED
SCHEDULE FOR CONSIDERATION OF DEFENDANT’S MOTION FOR
SUMMARY JUDGMENT (ECF No. 80)**

In this action, Plaintiff Hello Farms Licensing MI, LLC alleges that the Defendants, GR Vending MI, LLC and CURA MI, LLC (collectively, “Defendants”) breached an agreement to purchase marijuana from Hello Farms. (*See* Am. Compl., ECF No. 32.) The marijuana at issue was grown in 2020 (the “2020 harvest”) and 2021 (the “2021 harvest”). (*See id.*)

On October 17, 2023, Defendants moved for summary judgment. (*See* Mot., ECF No. 80.) In that motion, Defendants raised three primary arguments. First, the Defendants argued that this Court has no authority to enforce the parties’ contract because the contract involves the sale of an illegal substance under federal law:

[E]very claim in Hello Farms' Amended Complaint arises from an agreement to manufacture and distribute marijuana. Under the Controlled Substances Act of 1970, it is illegal to "manufacture, distribute, or dispense" marijuana. *Id.* at § 841. Because the Amended Complaint seeks to enforce an illegal contract, and because federal courts cannot enforce illegal contracts, judgment should be entered against Hello Farms.

(*Id.*, PageID.3678.) Second, Defendants asserted that they were entitled to summary judgment with respect to claims arising out of the 2020 harvest because "the contract at issue provides for stipulated remedies that have been satisfied." (*Id.*, PageID.3679.) Finally, Defendants argued that "judgment should be granted in [their] favor with respect to the 2021 harvest because Hello Farms breached the [contract's] testing requirements in the agreement with respect to the 2021 harvest." (*Id.*)

Hello Farms filed a response to Defendants' motion on November 22, 2023. (*See Resp.*, ECF No. 90.) Hello Farms also filed two motions on its behalf: (1) a motion for summary judgment (ECF No. 92) and (2) a motion to remand to state court if the Court concluded that it had no authority to enforce the parties' contract (ECF No. 89).

The Court has conducted a preliminary review of the parties' motions and concludes that in the interest of judicial efficiency, it will consider the parties' motions in phases. It will first consider Defendants' argument that the Court lacks the authority to enforce the parties' contract and Hello Farms' related argument that

if the Court concludes it lacks such authority, it should remand this action to state court. If, and only if, the Court concludes that it does have authority to enforce the parties' contract, it will then turn to the merits arguments that both parties have made.

Accordingly, **IT IS HEREBY ORDERED** as follows:

- The Court **STAYS** the briefing on Hello Farms' motion for summary judgment (ECF No. 92). Defendants shall not file a response to that motion until further order of the Court.
- Defendants' reply brief in further support of their motion for summary judgment (ECF No. 80) shall be limited to Defendants' argument that the Court lacks the authority to enforce the parties' contract.
- Once Defendants file their reply brief, and the parties complete the briefing on Hello Farms' motion to remand (ECF No. 89), the Court will schedule a hearing on (1) the portion of Defendants' summary judgment motion related to Defendants' lack-of-authority argument and (2) Hello Farms' motion to remand. If, following that hearing, the Court concludes that it has authority to enforce the parties' contract and consider the merits arguments the parties have made, it

will set a schedule to complete the briefing on those arguments at that time.

IT IS SO ORDERED.

s/Matthew F. Leitman

MATTHEW F. LEITMAN

UNITED STATES DISTRICT JUDGE

Dated: November 27, 2023

I hereby certify that a copy of the foregoing document was served upon the parties and/or counsel of record on November 27, 2023, by electronic means and/or ordinary mail.

s/Holly A. Ryan

Case Manager

(313) 234-5126